

# CEPAL

## Review

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#### Notes and explanation of symbols

The following symbols are used in tables in the *Review*:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A blank space in a table means that the item in question is not applicable.

A minus sign (-) indicates a deficit or decrease, unless otherwise specified.

A point (.) is used to indicate decimals.

A slash (/) indicates a crop year or fiscal year, e.g., 1970/1971.

Use of a hyphen (-) between years, e.g., 1971-1973, indicates reference to the complete number of calendar years involved, including the beginning and end years.

Reference to "tons" mean metric tons, and to "dollars", United States dollars, unless otherwise stated.

Unless otherwise stated, references to annual rates of growth or variation signify compound annual rates.

Individual figures and percentages in tables do not necessarily add up to corresponding totals, because of rounding.

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# CEPAL

## Review

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## The complexity of evaluating social development

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The decade of the 1980s has been called the "lost decade", mainly in terms of the economic growth, investment and output of the countries of the region. However, the fragmentary evidence available makes such a summary description seem inappropriate for what happened in the social area. In view of the institutional inertia, the delayed effects of policies conceived and implemented under more favourable economic conditions than those of the 1980s, and particularly the will of governments to render some areas of welfare independent of economic fluctuations, a subtler evaluation of social development during the decade is called for.

This study seeks to contribute to a better understanding of the significance of the social trends during this period. It attempts to do so, first, on the basis of an analysis of the most reliable information available on the changes that took place in three important spheres of social welfare—employment, education and health—seeking thereby to pinpoint the direction which these changes took. Second, it presents an interpretative framework which, in the opinion of the authors, is an aid in tackling the complex task of weighing the advances and retreats of the various indicators of social development. The interpretation rests basically on the distinction between what we will call the soft and the hard goals of social policy and on the identification of some of the factors that probably determine the degree of hardness of such goals. The article ends by proposing a definition of social development that incorporates as central objectives welfare, equity, and democracy, together with some general guidelines for measuring progress towards those objectives.

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## Introduction

During the 1980s, government officials, politicians, academics and professionals in the social field were increasingly concerned to establish the various effects of the economic crisis and the restructuring of production on the living conditions of the population and thus to obtain diagnoses that would provide proper guidance for action. However, given the scarcity and poor quality of the data available for the task, this concern was centred on an attempt to find more precise meaning in the changes in the move familiar social indicators, particularly those that did not react to the crisis as expected. Indeed, while some aspects of social welfare certainly deteriorated in a way consistent with the profound breakdown of the economy, others, including some considered decisive for improvement of living conditions, continued to show clear signs of progress. Thus, together with the long string of negative effects of the crisis (higher proportion of households below the poverty line; higher rates of open unemployment and various forms of underemployment; fewer resources allocated by governments to social areas; lower real wages and greater concentration of wealth), in some countries of the region, among other advances, infant mortality diminished significantly, housing infrastructure improved, and rates of enrollment at the secondary and higher education levels rose.

This apparent independence of social phenomena from each other and between some social phenomena and economic phenomena is not new. Indeed, the debate on Latin American development in recent decades was largely dominated by the issue of the unequal distribution of the fruits of economic growth. In the three decades following World War II such growth had exhibited rather high rates—at least in comparison with its poor performance now—which were not reflected in corresponding progress in the social area. In this context and by virtue of the lack of confidence in some sectors brought on by the overly optimistic picture produced by the evolution of the per capita product—for a long time considered the development indicator *par excellence*—it was

recommended that evaluations of development should be supplemented by detailed analyses of the behaviour of those indicators that seemed to better reflect the changes in the situation of the less privileged sectors of society, such as the rates of infant mortality, illiteracy or life expectancy. The elaboration of the so-called physical quality-of-life index (Overseas Development Council, 1978) resulted indeed from this kind of approach. What now causes a certain amount of perplexity is the manifestation of a phenomenon that could be interpreted as the

opposite of the one described above (Hirschman, 1987): negative product growth rates may be accompanied by positive changes in some important dimensions of welfare.

In order to better understand the nature of the relations between social and economic changes, we will analyse the changes in some of the more important indicators of conditions of employment, health and education in a number of Latin American countries, specifically those that offer reliable information on the period of five years or so that the crisis of the 1980s lasted.

## I

### Evolution of employment, health and education

#### A. Employment

##### 1. *Initial considerations*

From the viewpoint of changes in the living conditions of the population, one of the more important consequences of the external debt crisis was without a doubt the sharp reduction of capacity to absorb labour in the production sectors providing jobs that were more stable, productive, better paid and better covered by social security schemes. The data in table 1 corroborate this statement: between 1980 and 1987, for example, Chile was the only one of the seven countries examined in which the number of people employed in large private companies increased. Such growth, slightly higher than that of the economically active population (EAP), probably stems from the vigorous privatization of State enterprises carried out recently in that country (Marcel, 1989). In the rest of the countries, in contrast, modern-sector employment grew much less than the labour supply.

This situation of stagnation and even decline in employment and the consequences that flow from it represent a clear reversal of the trends observed in previous decades. Between 1960 and 1970 the sustained economic growth of most of the countries of Latin America and the Caribbean produced modern sectors that

increasingly absorbed more skilled and productive human resources, while the part of EAP consisting of unskilled labour diminished rapidly. This structural occupational mobility, although insufficient to reduce the relative size of the urban informal sector and the absolute number of the poor, at least resulted in an increase in relatively well-paid jobs in the formal sector, especially in large and medium-sized private enterprises, and in jobs in the public sector (ECLAC, 1989, p. 6).

##### 2. *Employment in some social categories*

Perhaps the most dramatic effect of the economic stagnation as it affected labour was the increase in unemployment. Between 1983 and 1985, at the epicentre of the crisis, unemployment rates in many countries reached the highest levels ever recorded. In 1987, of the 14 countries for which comparable information with total or partial coverage exists, 11 still had unemployment rates higher than those of 1980. Table 2 shows the evolution of employment according to various social categories in six metropolitan areas of the region which are sufficiently representative to give an approximate idea of the general behaviour of the respective countries. The more disaggregated

Table 1

**LATIN AMERICA: INDEX OF THE EVOLUTION OF SOME  
EMPLOYMENT AND WAGE INDICATORS FOR 1987**

(1980 = 100)

Country	Index of the evolution of employed by sectors in relation to employed non-agricultural EAP				Open unemployment	Minimum wage
	Large private enterprises	Public sector	Self- employed <sup>a</sup>	Small private enterprises <sup>b</sup>		
Mexico	79	125	146	85	87	62
Brazil	79	108	131	167	59	71
Costa Rica	85	102	102	122	93	117
Colombia	85	90	120	120	121	113
Argentina	93	97	106	94	227	122
Venezuela	98	86	94	130	150	109
Chile	103	74	91	143	104	69

Source: ECLAC, provisional estimates on the basis of national data.

<sup>a</sup>Includes only non-professional self-employed and non-professional unpaid family workers.

<sup>b</sup>Includes enterprises with less than 10 employees, self-employed and professional unpaid family workers.

Table 2

**LATIN AMERICA: INDEXES OF THE EVOLUTION OF SOME INDICATORS OF  
EMPLOYMENT AND UNEMPLOYMENT IN SOME METROPOLITAN  
AREAS FOR THE YEARS SHOWN**

(First year shown = 100)

	Bototá Colombia 1979-1986	San José Costa Rica 1979-1988	São Paulo Brazil 1977-1987	Montevideo Uruguay 1981-1986	Caracas Venezuela 1978-1986	Buenos Aires Argentina 1980-1986
Rate of economic participation of 15-19 year-olds	98	93	103	85	73	90
Rate of economic participation of 20-24 year-olds	110	111	108	101	93	94
Unemployment rate for 15-19 year-olds	242	113	122	139	197	208
Unemployment rate for 20-24 year-olds	240	104	150	194	192	158
Unemployment rate for male heads of household aged 25-59	264	192	165	118	345	282
Unemployment rate for female heads of household aged 25-59	197	311	169	66	320	320
Rate of economic participation of women aged 25-39 in nuclear families with children under 5 years old	158	155	158	132	132	135
Percentage of accumulated variation of per capita GDP for 1981-1988 <sup>a</sup>	11.1	1.5	-8.7	-9.8	-14.6	-15.2

Source: ECLAC, estimates based on household surveys in the respective countries, and *Statistical Yearbook for Latin America and the Caribbean*, Santiago, Chile, recent years.

<sup>a</sup>Calculated for the whole country.

data in this table show that in comparison with the employment situation in each social category around 1980 heads of household in at least five of the six cities had fewer work opportunities than young people, and that in some cases the unemployment rates of the beginning of the decade trebled.

As the crisis deepened, young people, especially those between 15 and 19 years of age, saw the job opportunities suited to their level of education increasingly blocked. The increase in unemployment prevented the members of this age group from at least partially compensating for the decline in family income by working. On the other hand, many young people left the labour market or did not even try to enter it, as they would have done under more favourable conditions. Perhaps these phenomena help explain why the participation rates of young people declined more in places where economic stagnation was worse. Such seems to be the case, for example, of Venezuela and Argentina: of the seven countries shown in table 2, they are precisely the ones whose economies suffered most damage in the period 1981-1988 and which also had the biggest decline in the youth employment rate. The highest youth rates, in contrast, are found in the metropolitan areas of Colombia and Costa Rica, countries with the best economic performances in the period studied (table 2). In these circumstances it would be no surprise if at least part of the increase in secondary education enrollment during this period was due to the fact that in a more favourable jobs market many young people would not have continued in the education system but did so now because of a lack of job opportunities. Likewise, those who had entered the jobs market were later removed from it by the crisis. Such young people, to the extent that they returned to the education system, judged it better to wait there for new signs of a recovery of demand, while gaining knowledge or educational credits that could eventually make them more competitive in the labour market.

Table 2 also shows that in all the cities studied there was an increase in the employment rates of mothers between 25 and 39 years of age with children under five in nuclear families. Even though these changes follow a long-term trend, their magnitude suggests that the trend

has grown stronger recently because of the need of many women to offset the actual drop in family income, i.e., to supplement the reduced income of the head of household by entering the labour market. This is a highly important phenomenon insofar as it has direct repercussions on the capacity of households to raise and protect the new generations, considering that the infrastructure of child-care services (kindergartens, pre-school centres) is particularly deficient precisely where it is most needed.

### *3. Employment by economic sectors*

The changes in employment and wages brought about by the economic recession varied from country to country in step with the gravity of the crisis itself and also with the capacity of the social forces in each country to mobilize in defence of their positions, and with the responses of the governments to internal and external pressures seeking to influence economic and labour policies in one direction or another. It is particularly difficult to interpret properly the impact of the changes in employment on the living conditions of households and individuals. This difficulty stems from the fact that any interpretation has simultaneously to take into consideration changes in real wages, rates of open unemployment and the quality of the jobs obtained. From this angle table 1—which as we know contains data for the seven countries for which there was comparable information for the years 1980 and 1987—makes it possible to draw some conclusions. The table presents, first, the distribution by sector of the employed EAP, a datum which we take as an approximate indication of changes in the quality of jobs. Since the factors that determine job quality cannot be measured directly, we use a series of assumptions that allow us to evaluate, for example, the average productivity of one sector in relation to other sectors. We proceed in the same fashion with job stability, social security coverage and social benefits, i.e., we evaluate the services provided in one sector in comparison with the others. All this permits us finally to place the different sectors into three groups: large private enterprises, the public sector, and the non-

professional self-employed. Since small (less than 10 workers) private enterprises form a very heterogeneous conglomerate with large variations in job quality, we will consider them a residual category for the moment. Second, we examine the rates of open unemployment, which account for the relative changes both in the abundance or scarcity of job opportunities and the willingness of people to take jobs on the working and wage terms determined by the market at that time. Third, we consider the minimum levels of real wages, which once again offer an approximate indication, more or less accurate depending on the country, of the guidelines or reference points used by employers, sometimes to negotiate and sometimes to set the wages of their employees.

Brazil and Mexico were the countries in which the large private enterprises displayed less capacity during the period to absorb the growth of EAP. Despite that fact, rates of open unemployment declined in both countries, at the cost *inter alia* of a sharp drop in urban real minimum wages. As can be seen from the significant expansion of non-professional self-employment, job quality also declined in both countries. Unlike the other countries analysed, the recruitment of civil servants continued in both Brazil and Mexico, to the point where Mexico experienced a relatively large expansion of the sector, so that a source of jobs remained open during the crisis, mainly for educated middle-class young people (table 1).

For their part, Costa Rica, Colombia and Argentina, although less affected than Brazil and Mexico by stagnation in the capacity of their modern sectors to absorb labour, were less successful in controlling unemployment rates, probably owing to the combination of a series of factors, for example high urban real minimum wages than in 1980, or less expansion of non-professional self-employment than in the other countries, or the freezing of public-sector recruitment.

Finally, Chile and Venezuela maintained and even slightly improved their capacity to absorb labour in the more productive sectors. Nevertheless, open unemployment in Chile increased sharply, while Venezuela's apparent control of unemployment was probably due to a significant reduction of urban real minimum wages. But

what is important to point out here is that, on the one hand, both countries appear to have carried out policies to freeze public-sector recruitment—the relative growth of which was in fact clearly lower than the growth of the non-agricultural EAP—while, on the other hand, in neither of the two countries did non-professional workers move into self-employment (table 1).

When read together these data, although fragmentary and dispersed, allow us to venture some conjectures or hypotheses—which would certainly have to be proven by more complete data and analyses—concerning what generally happened during the period in those areas of the world of labour which most directly influence the living conditions of the population.

The first thing that stands out is the relatively broad gamut of employment and wages policies that the governments had at hand and implemented in order to initiate or reinforce the transformation of production and to combat the overall deterioration of the economic situation and the decline in personal living conditions. For example, governments can decide whether to impose legal restrictions on various non-professional self-employment activities. If they do impose such restrictions, they can also apply them more or less rigorously. Similarly, they can freeze, increase or reduce recruitment in the public sector, and they can also try to determine, more or less effectively, guidelines for higher or lower real wages than those prevalent before the crisis. These and other interventions by the State in the field of employment stem from simultaneous consideration of a complex set of factors, which interact differently in each country: the available resources, the relative weight of various social and political pressures, institutional inertia, and the government's own programme. If this is the case, i.e., that governments do actually proceed in this way, it becomes clear that, both in the evaluation of the measures used to combat the crisis in the area of employment and in the measurement of their effect on personal living standards, it is totally insufficient to examine only real wages, or the rate of open unemployment, or the changes in the sectoral distribution of the employed EAP. An analysis that does not consider the combined effect of the various factors would not make it possible to



reconstruct the logic behind the measures adopted in each country or the logic of the measures most frequently used in the region.

Second, the public sector displays important differences in capacity to absorb labour. Of course, the extraordinarily vigorous growth of public-sector employment during the decades preceding the crisis derived fundamentally from two complex series of phenomena. One was the need to recruit more and more personnel to meet the growing demand for social services which accompanied the accelerated urbanization of those years. The other was related to the political pressures exerted by middle-class sectors on the State to hire the equally growing number of graduates from the education systems, which had in the meantime, owing partly to the urbanization itself, expanded very rapidly. The fiscal crisis that was beginning to be generated—or in some cases aggravated—at the beginning of the 1980s prevented many countries from continuing that policy. Thus, subjected to the fiscal-adjustment programmes agreed upon with the agencies acting as spokesmen for the lending bodies, many Latin American countries were forced to shut off access to the public sector and reduce the real wages of State employees, which fell almost as much as those of the non-professional self-employed (table 3). It is even possible that those changes had a more negative effect on the educated middle-class young than on other social categories.

Non-professional self-employment, in turn, increased in most of the countries, especially where the stagnation of the more productive sectors was worse. This kind of employment probably served as a refuge for the mass of unskilled workers who, with little capacity for collective pressure, had lost waged jobs or never had them. As mentioned above, the drop in income among the non-professional self-employed was greater than in any other category. A disproportionately high percentage of the so-called recent poor (Katzman, 1989) is probably found in that category. The channeling of the labour supply towards self-employment was not however automatic. As we have seen, in several countries this sector grew less quickly during the crisis than the non-agricultural sector of EAP. Different government policies can facilitate or block access to these jobs. For example, the State can grant or deny licenses for certain services (taxi-meter permits, newspaper stands, stalls in open-air markets, street vendors, etc.) or can control or prosecute more or less vigorously those who carry on such activities without proper municipal authorization. Cultural patterns of consumption and stigmas associated with certain occupations can also play a similar role, i.e., they can block or facilitate the access to self-employment of some non-professional segments of the population.

But the most striking thing about the period under consideration is the noticeable growth in most of the countries of employment in small

Table 3

**LATIN AMERICA: INDEXES OF EARNINGS FROM EMPLOYMENT  
BY YEAR AND BY ECONOMIC SECTOR<sup>a</sup>**

(1980 = 100)

Economic sector	1981	1982	1983	1984	1985	1986	1987
Agriculture	100.5	93.6	88.8	87.1	78.5	93.8	77.2
Large private enterprises	98.4	99.8	90.4	90.1	93.4	95.5	85.1
Small private enterprises <sup>b</sup>	98.8	96.5	87.0	82.1	84.1	82.1	69.1
Public sector	92.7	90.2	80.7	76.4	79.3	76.0	68.0
Self-employed <sup>c</sup>	88.1	80.6	71.5	68.0	67.1	68.1	58.9
Total employment	94.8	91.6	81.8	79.2	79.9	82.6	72.1

Source: PREALC, estimates of the evolution of the labour market, 1980-1987.

<sup>a</sup>Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Venezuela.

<sup>b</sup>Includes enterprises with fewer than 10 employees, the professional self-employed and professional unpaid family workers.

<sup>c</sup>Includes only the non-professional self-employed and non-professional unpaid family workers.

enterprises (i.e., with fewer than 10 workers). There is insufficient information to break down into homogeneous categories the diversity of types of establishment involved. We can, however, venture some hypotheses about the growth of employment in the sector—hypotheses which, given the lack of data, are based more on personal observation than on the corresponding statistical information. We would say, first, that the deficiencies—mostly in quality—of State services due to the drastic cut-back in their resources created gaps in the supply of services which were probably filled by private companies. Education perhaps provides the clearest example: a multitude of schools sprang up specializing in rapid training in skills and jobs supposedly sought after by the modern sector of the economy. However, in response to the demand created by the increased number of mothers forced to enter the labour market in order to supplement insufficient family incomes and to the rapid growth in the importance attached to pre-school training with respect to a child's subsequent performance, a large number of pre-school establishments and kindergartens also sprang up. Second, because of the need to remain competitive during the crisis, large private enterprises sought to cut labour costs through *inter alia* the elimination of social-security costs by contracting small enterprises to

produce some of the goods and services which they previously produced or provided themselves. It is hardly surprising, then, that the capacity of small private enterprises to absorb labour developed in step with a drop in urban real minimum wages. It is interesting to note in this regard that, with the exception of Mexico which clearly deviates from this pattern, in all the countries the relative growth of employment in small enterprises corresponded exactly to the drop in urban real minimum wages (table 1).

To sum up, the stagnation of the modern sector considerably reduced the capacity of the economy as a whole to offer better jobs and shifted large segments of the population towards jobs which were less stable, worse paid, and practically unprotected by social-security services and social benefits. In previous decades the possibility of acquiring better jobs had kept alive the expectations of social mobility of the generations entering the labour market—expectations that moreover fulfilled an important function in investing the whole social order with legitimacy. One of the more worrying circumstances of the present state of the labour market is the loss of that hope on the part of young people, who find it very difficult now even to match the economic and social achievements of preceding generations, much less surpass them.

## B. Health

The most striking thing about health in the first seven years of the 1980s is the fact that, despite the reduction of resources allocated by governments to the sector, the same positive trends of the pre-crisis period continued to manifest themselves.

### 1. *Public expenditures on health*

The percentage of public expenditure on health declined in most of the countries of Latin America and the Caribbean between 1980 and the last year for which we have information (about 1986), clearly demonstrating that the State was increasingly incapable of responding

to the needs and demands for health services. If we take as an approximate measure of the trends in the region's expenditure the unweighted average percentage of total public expenditure on health, it can be seen that this measurement, which in about 1980 was 7.7%, had fallen to 7.2% after mid-decade. However, since in about 1970 the unweighted measurement was 8.1%, it can be concluded that the downward trend is not attributable only to the debt crisis but is a continuation of a previous trend whose causes would have to be investigated. Nevertheless, the most probable explanation is that the crisis helped to speed up the rate of decline in health expenditures in relation to total government

spending, since during the 1970s the decline was 4.9%, according to the unweighted average, while in the seven years of the 1980s examined here it reached 6.5%. It should be remembered, moreover, that the period 1970-1980 was relatively expansionary (the per capita product increased in fact by around 39%), while the period 1980-1987 was one of stagnation (with a reduction of the per capita product of around 6%). Thus the decline in the relative expenditure on health in the first period may have been compatible with a higher or equal per capita expenditure.

If we examine the behaviour of each country separately, we will see that during the 1970s 15 countries reduced their relative health expenditure and 10 raised it, while during the first seven years of the 1980s 17 countries showed a decline in expenditure and only eight an increase. The fact that both real wages and total income of most households also declined (a fact which among other things was reflected by increased poverty) makes it highly probable that family spending on health care also declined significantly.

Philip Musgrove<sup>1</sup> has argued that since health care is a basic need, spending in the sector should be reduced less than proportionally when income falls, provided of course that the political will exists to make health care as independent as possible — particularly for sectors with less resources — of economic fluctuations. As the above figures show, this is not what happened in most of the countries of the region. Of the 17 countries with negative signs between 1980 and 1987 in the index of the cumulative variation of annual product growth rates, only four (Trinidad and Tobago, Panama, Paraguay and Honduras) significantly increased — by between 38% and 80% — the percentage of public expenditure on health in relation to total expenditure. Two other countries (Jamaica and Peru) showed small increases — between 2% and 4% — while the remaining 11 countries had drops ranging from 3% to 60% (the figures for Argentina and Costa Rica). As we see, the governments that

gave priority to health care during the crisis were in a minority in the region.

The proportion of total government health expenditure gives us a good indication of the importance that the society or the government in question assigns to health in relation to other sectors. But from the viewpoint of changes in the welfare of the population, the per capita expenditure on health is fundamental. As table 3 shows, of the nine countries for which we have reliable information for the period 1980-1986, only two (Brazil and Panama) increased their per capita expenditure on health. The rest of the countries reduced it more or less severely.

Nevertheless, it is not easy to determine with precision how this reduction affected the population's state of health. On the one hand, the decline in personal income and the consequent difficulties in making monthly payments probably prompted many people to drop out of a number of private health-care schemes (insurance, corporations, medical mutual associations or co-operatives). At least that is what happened in the only place for which information on the question was available: Montevideo. There the number enrolled in such schemes (71.4% of the total population in 1981) fell to 65.6% in 1986. The increase in unemployment may have had a similar effect, since the unemployed and in some cases, depending on the characteristics of national social-security systems, also their non-active family members, were probably left without the health care that workers and their families have a right to. Both trends indicate more demands on public health institutions, whose resources, as we have seen, were significantly reduced.

Even though this situation most probably affected the quantity and quality of the services provided, the crisis may also have acted as an incentive for raising the efficiency of the service or for making it more equitable by reserving the scarcer resources for the more needy population groups. The insufficiency of the available information rules out any judgements as to the overall net result of the alternatives mentioned, a circumstance which once again focuses the discussion on the serious problem of lack of statistical information to enable the inputs to be related to the results, both in the health field and in other social areas.

<sup>1</sup>The text of Philip Musgrove, "Health care and economic hardship", *World Health*, World Health Organization (WHO), October 1984, is mentioned in Inter-American Development Bank (IDB), *Economic and Social Progress in Latin America, 1989 Report*, Washington, D.C., 1989.

Table 4  
**LATIN AMERICA AND THE CARIBBEAN: EVOLUTION OF SOME  
 HEALTH INDICATORS IN RELATION TO 1980**

(1980 = 100)

Country	Year(s)	Total consolidated government expenditure on health	Total per capita consolidated government expenditure on health	Number of doctors per inhabitant	Average annual rate of reduction of infant mortality in relation to 1980 (%)	Rate of global reduction of infant mortality in relation to 1980 (%)
Argentina	1986	-	-	-	4.0	7.2
Brazil	1986	156	128	-	-	-
Costa Rica	1984-1986	74	64	150	2.3	1.8
Chile	1986-1987	95	81	-	7.9	14.5
Cuba	1986-1987	-	-	174	5.9	6.0
Ecuador	1985-1987	83	96	151	5.2	16.9
El Salvador	1985-1987	57	50	99	-	-
Guatemala	1985	-	-	-	3.1	9.5
Mexico	1985-1986	92	83	101	-	-
Panama	1986	140	126	125	-	-
Paraguay	1986	84	62	-	-	-
Uruguay	1986	77	90	116	4.9	9.7
Venezuela	1986	-	-	-	5.3	9.6

Source: ECLAC, *Statistical Yearbook for Latin America and the Caribbean*, Santiago, Chile, recent years; Latin American Demographic Centre (CELADE), direct information; International Monetary Fund (IMF), *Government Financial Statistics Yearbook*, Washington, D.C., recent years; United Nations, Statistical Office, *Demographic Yearbook*, Washington, D.C., recent years.

Note: The consolidated expenditures of the central government at current prices were obtained from the International Monetary Fund (IMF), *Government Financial Statistics Yearbook*, Washington, D.C., vol. XII, 1988. The expenditures were adjusted to constant prices using the annual indexes of implicit prices in the global GDP at market prices (1980 base = 100) of ECLAC's Yearbook. The populations estimated year by year were obtained from interpolations using the Karup-King method based on five-year projections by CELADE.

## 2. The ratio of doctors to population

The reduction of public funds and family resources for health care did not lead, as we said above, to an overall deterioration in the respective indicators. Thus we find that some of the indicators commonly used to evaluate the performance of social policies in this area do not indicate the changes in welfare conditions that the crisis led us to expect.

Such is the case of the number of inhabitants per doctor (table 4). In fact, none of the seven countries for which we have comparable information in the period we are studying experienced a reduction in this number. On the contrary, most showed increases, varying between 16% and 74% between 1980 and the last year of the decade for which we have information. These data imply a higher average probability of every inhabitant receiving

attention from a medical professional, which means, at least potentially, progress in the health care of the population at large.

How is this information to be reconciled with the obviously gloomier picture painted by the economic data for the decade? First, the evolution of the ratio of doctors to population in a specific period depends to a large extent on previous structural conditions. If we assume that it takes an average of between eight and nine years to become a doctor, the increase in the number of doctors during the 1980s is determined more by personal decisions and the institutional incentives and facilities prevailing during the previous decade. As we know, in many countries of the region the 1970s were years of economic expansion which, on the one hand, allowed the State to increase its per capita expenditure on social services such as health and education and on the other, certainly raised the

people's expectations of improved welfare, prompting them to invest in the future with reasonable hopes, of higher returns.

Second, it is impossible to evaluate the effect of a larger number of doctors on welfare and equity without knowing the evolution of their spatial and social distribution. Even though we have no information on this point, we can venture some conjectures. With regard to spatial distribution, we know that during the 1980s the urbanization rate remained high in most of the countries of the region, although it was lower than in the previous decade. Thus we can assume that the problems caused by the scarcity of health-care centres in rural areas may be mitigated in some way, to the extent that the population moved to within the range of urban health-care institutions. As for social distribution, we know that the funds available for investment in health care diminished in most of the countries of the region and that the pay of public-sector health-care workers (including doctors) probably fell as much as the pay of public employees in general, i.e., more than in other sectors (table 3). Thus the deterioration in the health-services infrastructure, a growing relative lack of technical equipment, and the lower economic incentives probably led to negative selective recruitment in the public health sector, to resignations, to fewer hours worked, or to less dedication on the part of the more competent professionals. If all this actually happened, it may have led to a deterioration in health care, especially for the poorer population groups that depend precisely on the public sector for these services.

### 3. *The evolution of infant mortality*

The infant mortality rate is usually considered one of the more reliable indicators of the effectiveness of health-care systems, although its evolution in fact is determined by a wide and diverse range of factors. Despite the insufficiencies in this area, in all the countries of the region for which we have updated and reliable information the infant mortality rate registered a sustained downward trend from previous decades up to the end of the 1980s (table 4).

Some advances in health care certainly had an impact on the handling of the problem. This is true of a number of technological innovations widely established internationally, for example oral rehydration, which makes it possible to combat very effectively the effects of infant diarrhoea, one of the main causes of death during infancy and simultaneously to reduce the cost of the infrastructure needed to tackle the problem, thereby making very rapid progress possible in this field. To understand its importance, it is sufficient to point out that in 1980, when the World Health Organization (WHO) began its programme to control diarrhoeic diseases, less than 1% of the children of the world that suffered from these ailments were treated by oral rehydration therapy. By 1986, close to 36% of the cases of diarrhoea among children under five in Latin America and the Caribbean were treated with this therapy.<sup>2</sup> The campaigns to inform the population about the benefits for mother and child of spaced births had equally notable effects on the reduction of infant mortality. Existing public and private institutions in the countries concerned participated in the campaigns. These same institutions were also used to organize and carry out rapid campaigns of mass vaccination against high-risk early-childhood diseases.

Other indirect but no less important factors also contributed to the decline of infant mortality. Urbanization was one of them. Rapid urbanization gave many mothers the chance to visit health-care centres more often, gave them greater access to drinking water and sewage services (or at least the possibility of collectively expressing and tackling the need to have these services suitably provided), and also gave them more frequent exposure to a variety of messages about infant nutrition, hygiene, pre-natal care, etc. Receptivity to these messages and the adoption of the corresponding practices were also enhanced by the parallel rise of women's educational levels.

<sup>2</sup>See the report of the World Health Organization (WHO), *Programa para el control de las enfermedades diarreicas. Sexto informe 1986-1987*, February 1988, which is mentioned in the United Nations Children's Fund (UNICEF), *Estado mundial de la infancia 1989*, Barcelona, J & J Asociados, 1989.

An important characteristic of the factors just described is their relatively high degree of autonomy in relation to economic difficulties. In other words, as the recent history of the region shows, the downward trend of infant mortality may remain unchanged even if the economy in general declines or if the relative inequalities in the distribution of goods and services worsen, provided of course that such changes remain within certain limits.

The effort to save as many children as possible from death has not been, however, the exclusive work of governments. A very important role is also undoubtedly played by the concern and active promotion policies of some international organizations, including the

United Nations Children's Fund (UNICEF) and WHO, which successfully made the world aware of the problem and established the infant mortality rate as one of the key indicators for evaluating the performance of governments and societies in the social field: it is for this very reason that many countries have directed a good part of their efforts in the social field to combating the more immediate causes of infant mortality. This has been a fortunate development from the viewpoint of achieving more equitable welfare conditions, for infant mortality is concentrated among the lower-income groups, so that its reduction tends to improve mainly the life expectancy of the poor.

## C. Education

### 1. *Resources and achievements*

In spite of the economic crisis that affected most Latin American countries and the resources allocated by governments to this area, education maintained and in most cases surpassed the quantitative achievements of the previous decades. Thus most of the countries maintained the target rate of nearly 100% primary-school attendance reached in the 1960s and 1970s. The rates of transfer from primary to secondary education rose, as did the proportion of enrollments in secondary and higher education.

Table 5 presents some indicators selected because they illustrate the commonest trends in the countries of the region in this field, or more specifically in the countries that have data for two different years of the decade of the 1980s. Thus, as can be seen from the table, in seven of the nine countries with data the consolidated government expenditure per inhabitant between 5 and 24 years of age fell in real values. In nine of the 11 countries, the ratio of teachers to the school-age population increased. In five (of seven) the rates of transfer from primary to secondary education increased. In 11 (of 13) secondary enrollment rose. And in eight (of nine), higher-education enrollment rose as well.

The data therefore justify the assertion that, despite the decline in public expenditure on education per potential student, considerable progress was made in achieving the universal goal of providing wider access to education and at the same time changes in the relative supply of human resources in primary education. Both achievements could be interpreted as improvements in the education system.

Other data from household surveys covering the main metropolitan areas of six countries of the region reinforce the theory that educational systems generally performed positively during the period under consideration. Indeed, as table 6 clearly shows, the number of young people between 15 and 24 years of age with only two years of primary education fell sharply during the period to a level of only 66% of the number in the same situation in previous years. Likewise, this age group's attendance rate at educational establishments rose by between 15% and 20% in relation to the previous situation, while the number of children repeating years was 75% of the corresponding figure for previous periods. The only result out of tune with these trends seems to be the increase in four countries in the rate of school drop-outs, which was around 70% higher than at the beginning of the 1980s. It

Table 5  
**LATIN AMERICA AND THE CARIBBEAN: INDEXES OF THE EVOLUTION  
 OF SOME EDUCATION INDICATORS**

(1980 = 100)

Country	Years	Consolidated government expenditure on education per inhabitant aged 5-24	Ratio of teachers to school-age population	Rate of transfer from primary to secondary education	Secondary-education enrollment per school-age population	Proportion of the population aged 20-24 enrolled in higher education
Argentina	1986	-	93	136	132	179
Brazil	1985-1986	143	109	-	107	84
Costa Rica	1985-1986	67	-	-	86	110
Chile	1986	94	-	-	122	122
Colombia	1986-1987	-	88	109	120	124
Cuba	1986-1988	-	132	-	109	117
Ecuador	1985-1986	73	110	-	109	-
El Salvador	1985-1986	54	109	-	112	-
Mexico	1985-1987	82	122	106	115	-
Panama	1985-1986	127	105	95	97	114
Paraguay	1985-1986	73	108	115	118	-
Uruguay	1986-1987	74	100	131	128	232
Venezuela	1986	-	106	98	112	120

*Source:* ECLAC, *Statistical Yearbook for Latin America and the Caribbean*, Santiago, Chile, recent years; Latin American Demographic Centre (CELADE), direct information; International Monetary Fund (IMF), *Government Financial Statistics Yearbook*, Washington, D.C., recent years; United Nations, Statistical Office, *Demographic Yearbook*, Washington, D.C., recent years.

*Note:* The consolidated expenditures of the central government at current prices were obtained from the International Monetary Fund (IMF), *Government Financial Statistics Yearbook*, Washington, D.C., vol. XII, 1988. The expenditures were adjusted to constant prices using the annual indexes of implicit prices in the global GDP at market prices (1980 base = 100) of ECLAC's Yearbook. The populations estimated year by year were obtained from interpolations using the Karup-King method based on five-year projections by CELADE.

should be kept in mind, however, that the drop-out rate varied between 1% and 5%.<sup>3</sup>

These results could be compatible with the theory of a growing social differentiation through education. On the one hand, aggregate indicators of transfers, enrollment and repeated years could be incorporating the better performances of students from population groups better endowed with human and material resources. Thus the possibly static or even declining situation of the less-favoured groups, as long as it remains within certain limits, would

not negatively affect the values of the aggregate indicators, thus concealing the heterogeneity of the educational performance of the various sectors. On the other hand, the quantitative advances may be accompanied by changes in the quality of education available to the various population groups. The need to explain the functions that education actually performed in the period under study leads us to a consideration of the question of the stratification of educational circuits.

## 2. The stratification of education channels

<sup>3</sup>To demonstrate that the increase in school drop-outs and the decline in rates of repeated years are compatible with the result of gross rates of school attendance at 100% and above we should specify, on the one hand, that such rates are obtained from the quotient of school enrollment and school-age population, which explains how these rates are often above 100%, and on the other hand, that while the rates of repeat range between 15% and 30%, drop-out rates vary from 1% to 5%, allowing the net result to be above 100%.

In contrast to the growing demands for education, the reduction of government funding and the strengthening of the principles of economic liberalism and its market solutions produced, and in some cases accelerated, a phenomenon known as stratification of the education channels defined as education's loss of

Table 6

**LATIN AMERICA: SOME EDUCATION AND EMPLOYMENT INDICATORS  
IN CERTAIN METROPOLITAN AREAS**

Indicators (%)	Argentina Buenos Aires		Brazil São Paulo		Colombia Bogotá		Costa Rica San José		Uruguay Montevideo		Venezuela Caracas	
	1980	1986	1977	1987	1979	1986	1979	1988	1981	1986	1978	1986
<i>Education</i>												
Illiteracy in population between 15 and 24 years of age	...	...	12.7	6.7	3.7	2.5	3.0	3.0	0.9	0.9	3.3	2.4
Low educational level in population between 15 and 24 years of age	...	...	49.9	32.8	26.8	18.3	9.1	7.7	5.5	3.9	13.5	8.0
School drop-outs	3.0	1.9	2.0	3.4	5.2	3.2	3.1	5.3	0.7	1.5	2.9	3.9
Behind in education, population 7-15 <sup>a</sup>	10.6	...	41.1	30.6	27.4	16.3	17.3	18.8	17.0	14.6	27.0	23.7
Behind in education, population 7-15 <sup>b</sup>	3.7	...	21.7	14.0	12.2	6.4	5.8	6.8	6.3	5.3	5.0	3.3
Attendance rate, population 15-19	48.7	63.9	55.3	52.9	65.5	67.1	54.3	60.1	54.1	64.8	62.2	59.2
Attendance rate, population 20-24	22.7	25.9	26.4	19.0	32.4	32.9	25.1	28.9	24.9	35.6	30.3	31.2
Population between 6 and 11 years of age attending paid education									28.9	24.1		
Population between 12 and 17 years of age attending paid education									28.7	21.8		
<i>Employment</i>												
Economic participation of the population between 15 and 19 years of age	38.6	34.6	60.4	62.5	33.0	32.5	40.0	37.2	46.8	40.0	33.2	24.4
Economic participation of the population between 20 and 24 years of age	73.8	69.2	73.3	78.9	61.4	67.7	64.2	71.0	77.8	78.2	64.6	60.1
Population 15-19 working and studying	3.7	5.2	24.8	24.9	6.9	6.1	7.0	8.3	6.7	7.9	7.0	3.2
Population 20-24 working and studying	10.0	10.4	17.8	12.8	11.9	11.0	12.4	13.6	12.6	16.0	12.9	8.4
Unemployed population 15-19	6.6	13.7	7.9	9.6	11.8	28.6	15.1	17.0	22.2	30.9	7.1	14.0
Unemployed population 20-24	3.8	6.0	5.0	7.5	8.9	21.4	9.1	9.5	10.7	20.8	5.2	10.0
Economic participation of women in legal and common law marriages	33.5	39.1	29.3	...	32.3	51.7	...	40.7	52.7	67.5	52.2	57.9
Economic participation of women with children	25.1	34.0	25.5	40.2	30.8	48.8	26.3	40.8	48.2	63.7	33.1	43.6
Employment of women with children	23.9	32.6	25.0	38.8	29.6	40.0	25.4	36.8	42.4	56.7	32.7	40.6
Unemployment, male heads of household, 25-59 years old	1.1	3.1	1.7	2.8	1.4	3.7	1.2	2.3	2.7	3.2	1.1	3.8
Unemployment, female heads of household, 25-59 years old	1.5	4.8	1.6	2.7	3.2	6.3	0.9	2.8	10.0	6.6	1.5	4.8

Source: ECLAC, estimates based on processing of household surveys of the countries.

<sup>a</sup>One or more years behind.

<sup>b</sup>Two or more years behind.



homogeneity and of its status as an instrument of equity and social cohesion. The phenomenon is characterized by a higher proportion, at all educational levels, of private as opposed to public institutions. In contrast with a public education undermined by a lack of resources, private education is usually considerably better endowed with physical and technological infrastructure and offers better teaching conditions: since it has more resources, it can select teachers more rigorously and ensure a more extensive and intensive relationship between teachers and students.

The segmentation of the student population resulting from this division not only facilitates the operation of the mechanisms that reproduce social inequalities and undermine the possibilities of integration but also, in the case of Latin America with its rapid expansion of the educated young population in a context of insufficient job opportunities, helps to aggravate the consequences of what has been called the universal devaluation of education. In summary terms, the devaluation of education refers to the growing demands that employers make with respect to education, so that the jobs themselves require more skills as time goes by. Thus young people are faced with employers demanding labour who know and increasingly take into account educational differences; this has a discriminatory effect on job opportunities and wage levels. In other words, the importance which the market attaches to acquired knowledge allows only a decreasing proportion of the young population to keep alive their expectations of social mobility.

### *3. Some numerical evidence of the stratification of educational channels and its consequences*

The privatization of primary and secondary education underwent considerable changes during the crisis. In some countries, especially Chile, it increased sharply; in others, including Uruguay, it declined just as sharply. However, a more complete analysis would be needed to determine if, as is likely, students in the private system performed significantly better than those in the public system; if there is such a difference it would represent an increased heterogeneity of

education as a whole and would thus accentuate the inequalities in cultural and job opportunities, depending on the different education which citizens receive.

Because of its objective, this analysis would have to focus on aspects of infrastructure, the extent of the relationship between teacher and student, and curriculum content. But it would also have to consider the performance of students, the extent of their passage through the system, and their achievements within and outside the system. Although we only have information for Chile in this area, and only for some of the aspects mentioned, supplied by the research of Cox and Jara (1989), we think that the results of the analysis should be considered as the expression of a process of increasing segmentation and heterogeneity in the educational system.

The data presented by Cox and Jara with respect to primary and secondary education in Chile in 1987 are as follows:

a) of those attending public schools, who make up 60% of the primary and secondary enrollment, 32% finish both cycles—which together theoretically last 12 years—in approximately 17.3 years, and only 9% finish in 12 years;

b) of those attending subsidized private schools, representing 33% of total enrollment, 44% finish both cycles in approximately 15.7 years and 18% do so in 12 years;

c) of those attending unsubsidized private schools, representing the remaining 7% of total enrollment, 67% finish both cycles in approximately 13.5 years, and 46% do so in 12 years.

In short, in this respect students in the private sector clearly perform better than those in the public sector, especially as only 9% of public-sector students complete both cycles in 12 years as opposed to 46% in unsubsidized private schools.

The performance of students educated in the two systems is also reflected in the results of the performance evaluation tests, which measure performance on a scale of 0 to 100. In the mathematics and Spanish tests, the fourth- and eighth-grade students of the schools which, according to the Cox and Jara classification, are

located at the highest socioeconomic level scored 22 and 26 points higher, respectively, than students from schools at lower socioeconomic levels.<sup>4</sup>

If we assume that on average there are no innate differences among the students attending these different kinds of school with respect to learning ability, we have to conclude that these results eloquently demonstrate the differences

between the different kinds of school with regard to the way in which knowledge is transmitted and its content. Returning to our previous argument, we can say that to the extent that enterprises are involved in the universal trend to demand increasingly higher quality in the human resources which they recruit, these educational differences will also result later in unequal job and wage opportunities.

## II

### Reflections on the meaning of social trends: hard and soft areas in social development

#### 1. *The relationship between social changes and economic changes*

Our empirical analysis of the changes produced during the 1980s in some of the more important aspects of the quality of life demonstrates the existence of a considerable degree of independence between the fluctuations of the various indicators of social progress and between them and the indicators of economic development.

Some preliminary conclusions can be drawn from this independence. First, the evaluation of social development is a complex task, and its results can therefore vary significantly according to the indicators selected for the analysis. Even though this conclusion might seem obvious, it is not so obvious when set against the abundance of assertions about positive and negative changes in welfare conditions based on the uncritical use of a few indicators. Second, our theories about the factors that determine changes in some of the more important areas of social development clearly need to be reviewed and consolidated, but we can already discard all those that assert a close and direct correspondence between economic

changes and the general conditions of the quality of life. Third, the fact that there is a relative independence between economic and social changes indicates at the same time that there is a broad field within which governments can choose their policies.

As a working hypothesis, we will state here that the present situation has contributed to the situation in which government decisions on these various options are increasingly focussed more on what we will call the soft areas of social policy, i.e., those that offer less resistance to change. The present situation seems to be characterized by a sharp reduction of governments' room to manoeuvre which is determined by their need to tackle a multitude of tasks at the same time: meeting international obligations, operating with a much more limited budget than in normal conditions, preventing flight of capital, providing incentives for national and international investment in the country and, lastly, retaining the political support of the sectors that back them. However, all this has to be reconciled with the strong demands for improvements in welfare both from those broad sectors of society that suffer basic shortages and from the middle classes, whose standard of living, as we know, declined markedly during the crisis.

The complexity of evaluating social development makes it advisable to divide the problem into its component parts and deal one

<sup>4</sup>The highest category includes those private schools that cost the family an average annual expenditure of 70 000 1984 Chilean pesos, and the category just above the lowest one includes public, municipal or subsidized schools which require an average annual expenditure of 7 000 1984 Chilean pesos. The lowest category was not used because of the heterogeneity of the schools included in it.

by one with the specific difficulties posed by each of them. A first task would be to investigate the nature of the goals of social welfare, basically distinguishing between what we will call here the soft and the hard goals, according to their difficulty of attainment or, to put it another way, according to the amount of effort and investment which societies and governments have to make in order to attain them. A second task would be to elaborate a broad concept of social development which would provide an instrumental definition to guide the choice of indicators —a definition of social needs and of the elements that satisfy them which would necessarily be tentative because of its historical background and which would therefore change as society and culture change.

As we will see below, terming a goal hard or soft requires a revision of the theories about the necessary and sufficient conditions for progress in each aspect of welfare. But what we most need to remember at this point is that the complexity of evaluating social progress is closely related to the difficulty of reaching a minimum consensus about the degree of hardness of the goals, as well as about the way to assess actions designed to remove the obstacles to harder or softer goals.

## *2. Determinants of the hardness of social goals*

Social areas can be distinguished in every society and at every moment of history, and within those areas there are dimensions in which it is easier or more difficult to attain certain goals. The degree of difficulty is determined basically by four closely interrelated factors: a) the amount of resources needed to reach the goals; b) the institutional conductivity; c) the political conductivity; and d) the cultural conductivity of the corresponding actions.

### *a) Resources*

The design of a social policy, and more particularly its implementation, involves mobilizing material and human resources, knowledge and technologies to which governments have varying degrees of access. The costs of constructing the necessary

infrastructure for implanting or widening a service's sphere of action depend to a large extent on the development of technological innovations that lower such costs and thereby improve more or less rapidly the quality of life in the specific dimension covered by the service. In this regard perhaps the most influential technological innovation during the last decade has been oral rehydration therapy, discussed in the section on analysis of the evolution of infant mortality. The national and international agencies involved in that specific crusade have undoubtedly succeeded in calling the attention of governments to this problem, identifying it as a social defect repulsive to human sensitivity, whose rapid reduction has therefore become one of the top-priority goals of social policy. But by converting the reduction of infant mortality into an important social undertaking they also succeeded in channeling in that direction a larger volume of knowledge and human skills, and this was undoubtedly a significant factor in the production and introduction of those technological innovations —such as, for example, oral rehydration therapy— which made it possible to reduce significantly the costs of dealing with the problem. The moral of this story is that there is a complex causal relationship between the relative cost of the various goals of welfare and social equity and the priorities set by governments. Even though the availability of resources often determines priorities, the establishment of clear and compelling priorities also makes it possible to mobilize wills and reduce costs. In this respect, we should add that the capacity of a social goal to mobilize people depends not only on its content but also on the way it is presented. A presentation that makes the goal readily understandable facilitates communication and makes the concept more popular and its content more acceptable.

### *b) Institutional conductivity*

Institutional conductivity relates to the degree of fluidity in the movement of ideas and to the degree of distortion they undergo in the bureaucracy before being put into practice. One of the main obstacles to the governance of some countries of the region lies precisely in the fact that the authorities are often incapable of

overcoming the resistance of vested interests in some of the State bureaucracies or of breaking down apathy and motivating government officials to perform their function as public servants. Strictly speaking, many of the results that are usually interpreted as consequences of a government's social policies are only the virtually immutable results of the inertia of rigid institutional patterns established earlier. These patterns not only set their own bureaucratic goals, which hardly respond to changes in society or the government's policies, but they also determine the criteria for judging their own institutional performance.

As we saw above, the crisis meant that in many countries public-sector recruitment was frozen and public-sector wages fell sharply. This probably led the more dynamic public officials to look elsewhere for work and weakened the motivation of the remaining officials for the enthusiastic design and implementation of innovative policies.

#### c) *Political conductivity*

Political conductivity relates to the resistance, in defence of the *status quo*, offered by interest groups to State interventions, especially when these imply direct or indirect changes in existing patterns of distribution or redistribution, or even when they merely threaten the monopoly of the more prominent marks of rank or social superiority, as in the case of policies designed to make certain services universally available. In times of crisis, when the struggle for increasingly scarce resources is fiercer, the opposition of interest groups can generate insuperable barriers to any government attempt to create more equitable social conditions. One of the consequences of the present crisis is indeed the relative weakness of the State in dealing with the more influential political and economic agents, a weakness that derives in part, as we mentioned above, from the need for governments to meet international obligations, prevent the flight of capital, provide incentives for national and international investment in the country, and at the same time retain the political support of the sectors that support it. In this context, the room for manoeuvre of social-equity policies is restricted to the softer options which are those that

provoke the least resistance from the main pressure groups, since they remain on the margins of the redistribution battle.

#### d) *Cultural conductivity*

Finally, the softness or hardness of a social goal is also determined by cultural resistance. Take the case, for example, of policies that seek to increase social equity by promoting homogeneous basic education conditions. We know that in most societies there are mechanisms, even in public and free schools, which concentrate the more experienced teachers, the more complete infrastructure, and the better teaching materials and equipment in the schools where the upper classes study; and vice versa, the less experienced staff, the poorer installations and the poorer teaching materials are found in rural areas or marginal urban neighbourhoods. A policy of making these conditions more equal would have to concentrate the better resources where they are needed in order to compensate for the absence of a cultural continuum between home and school, and where families are less able to provide an upbringing that meets the minimum demands of integration in a modern society. Some countries, notably the United States and Israel, tackled these problems with programmes which allowed for a kind of interchange between the living standards of the different neighbourhoods and the quality of the schools, so that, with the busing of children, for example, to an educational atmosphere superior to their living standards, the mechanisms for ever-increasing reproduction of social differentiation were broken down and homogeneous school environments were created in which children from different social and ethnic origins could get along with each other.

The degree of hardness of this kind of policy would bear a more or less direct relationship to the population's receptivity to the message which this policy implies. There will be less cultural resistance when the message invokes elements which form part of a nation's values. In contrast, the more segmented a society, the higher the barriers of social and/or ethnic discrimination between the various social groups, and the greater will be the difficulties in implementing policies of this type.

### *3. Economic fluctuations and the achievement of hard social goals*

Economic stagnation reduces not only the resources available to the State for its social policies but also its room for manoeuvre in setting the priorities that guide resource allocation. Indeed, the crisis deepens the struggle over the way in which the reduced resources of the State must be distributed between and within the different social areas, for certain influential groups enter the competition for State resources. In more prosperous times these groups would perhaps have tried to meet their social needs through the market (for example, education, health care or housing). Thus the crisis poses a paradoxical situation, for as the need to use collective funds to guarantee satisfaction of the basic necessities of an increasing number of households grows more imperative, the competition in society for scarce resources increases, as does the pressure on governments to allocate those resources to specific areas.

This explains two important features of soft policies: their attractiveness for governments and their relative independence of economic difficulties. By concentrating on them, governments can demonstrate the clear progress resulting from their social policies, whose importance for the improvement of welfare and equity is indisputable. But what is more, the low relative cost, the existence of technological innovations that make it possible to implement these initiatives, and the fact that they do not compete much for funds or threaten privileges, make this kind of measure politically viable as well.

### *4. Hardness, welfare and equity*

The hardness of a social area is not ambiguous or necessarily associated with its contribution to welfare and equity. Relatively soft goals, such as reducing infant mortality or eliminating

illiteracy, are undoubtedly of enormous significance for the achievement of higher levels of welfare and equity, even when they do not directly threaten, in either the short or the medium term, the basis of current systems of stratification as hard goals are wont to do. This last characteristic helps to explain the relative facility with which soft goals can generate a favourable consensus among very diverse sectors and promote national and international mobilization. Such characteristics have made it possible to harness the energies and creativity of individuals and institutions to design, produce and implement technologies that lower costs and make the infrastructure needed to achieve the goals more accessible.

Even though soft social policies can contribute greatly to welfare and equity, we must be alert to the possibility that, while progress is being made in those areas, both the stratification of services and the mechanisms of exclusion and inequity that operate in the harder areas may be reinforced. Progress in the softer areas frees the social terrain from the more worrying inequalities—for example, those relating to life expectancy at birth (infant mortality) or minimum access to the world of information and knowledge (literacy)—and generally reveals the existence of a basic commitment on the part of society to control or eliminate the most severe manifestations of extreme poverty. But, as the social terrain is cleared of these extreme features of inequality, the profile of the central structure of social inequality begins to be more clearly perceptible. The basic mechanisms for reproducing inequality are installed there: for example, access according to social origin in the early stages of learning to educational services differentiated by the quality of education they provide. To seek to eliminate such mechanisms is indeed to set a hard goal, but one which is intrinsic to the achievement of equity, for equity implies, as we will see below, the gradual elimination of ascriptive criteria in the competition to secure social goods.

### III

## Towards a nominal and operative definition of social development based on equity

For the practical purposes of this study, we define social development as a process characterized by the achievement of interrelated advances in welfare, equity and democracy.

By greater welfare we mean an increase in the availability and accessibility of social and economic goods, as revealed by those average indicators that show increments in the average level of education of the population, life expectancy, health and social-security cover and services, improvements in housing, quality of jobs, and access to all those goods and services that determine the quality of life. In spite of the global nature of the indicators of welfare and the fact that they provide no information on how the goods involved are distributed, the meaning of differences between two or more values of these indicators is easily intelligible. Therefore, other factors remaining constant, the degree of social development of a country with an average of about 12 years of schooling, with paid vacations for 95% of its wage earners and with a life expectancy of 70 years is greater than that of another country with lower averages in each of these areas.

The attainment of certain minimum levels of welfare makes it possible to meet basic needs. As we will see below, this is one of the three criteria most frequently used in defining the concept of equity. Each society establishes its own minimum levels on the basis of the prevailing public view of what are considered decent living conditions, with the consequent judgement that people who do not attain these levels do not have the necessary means independently to ensure their own reproduction or that of the people who depend on them, and that they are in no position to compete for scarce goods. The reduction of these forms of exclusion, which are the most visible and ethically most worrying aspects of social inequality, is a necessary first step towards increased social integration. From the viewpoint of the construction and analysis of social indicators, the concern with these aspects of welfare which

attempt to create the minimum conditions for social integration of the excluded is concretely expressed in the desire to measure the changes in the percentage of households below the poverty and destitution lines and in the parallel desire to analyse the behaviour of the critical indicators (such as infant mortality, illiteracy and access to a minimum infrastructure of services) which affect such households most of all.

The notion of equity, as applied to social matters relates to the distribution of social goods (wealth, power and honours) from a normative viewpoint, and is applied to action policies or programmes (by evaluating their consequences), to ideologies (by evaluating the type of distribution of privileges implicit in their content), or to societies (by evaluating their structural characteristics).

There are three common criteria of progress in equity. The first relates to the gradual weakening of the association between the distribution of privileges and the ascriptive characteristics of people, i.e., those that do not depend on their skills or talents. The second criterion concerns the unequal distribution of privileges and the degree of this inequality: progress in equity in this regard means that the size of this difference is reduced. The third relates to the need to improve the situation of individuals or households which owing to their extreme living conditions do not satisfy the basic needs that allow them to reproduce themselves biologically and socially.

According to the first criterion, the level of equity or inequity is determined by the degree—implicit in a policy, or existing in a social structure, or legitimized by an ideology—of the association of the characteristics ascribed to individuals and the privileges that they possess. Ascribed characteristics are those that cannot be unchanged or changed only with difficulty, such as sex and skin colour—although age, for example, is also an ascribed characteristic, as can be seen in the case of children whose level of

welfare is imposed on them in a way by their household. From this perspective, progress in equity consists in the gradual weakening of the influence of ascribed characteristics on the acquisition of social privileges. According to this first meaning, therefore, an equitable society will be one in which both the dominant values and the concrete actions stemming from these values are in turn governed by a basic ethical imperative, namely that of equal access to social goods for all members of the society, regardless of their original or ascribed characteristics.

However, even in societies that can be considered equitable in the first sense, i.e., by weakening the link between ascribed features and achievements they ensure in some way equal opportunities for all their members, it can happen that the rewards and privileges accorded to achievements can be highly unequal. A society with such characteristics would not be equitable in the second sense, i.e., according to the criterion that defines equity or inequity in terms of the unequal distribution of privileges or, more exactly, in terms of the independence of the possible association of privileges with other characteristics of individuals or social categories. Therefore, even though it is accepted that a community can offer different rewards for talent, effort and responsibility, a society will be equitable in the second sense only if the inequalities do not exceed the limits which the dominant ethical standard deems tolerable.

In the third sense, the notion of equity reflects the moral rejection of the existence of households whose members cannot meet their basic needs, a situation which would suppose the presence of barriers to mobility and integration for specific social categories and/or the inability of the society's system of rewards to secure the performance of various social functions. From this perspective, the inequity of poverty will be commensurate with the wealth of the society in which it exists, i.e., with the unequal distribution of privileges.

The existence of these three different concepts of equity immediately poses a number of questions about, for example, the usefulness of the distinction, the relationship between the elements of each of the notions, and ways of measuring them better. The separation of the elements of the concepts is certainly useful for

comparative analysis, since societies can show more or less favourable results in each of them. In fact, the more equitable societies are those that present a particular combination of these factors so that, for example, ascribed criteria have little influence on the distribution of privileges, inequalities in the distribution of power, prestige and wealth are kept within the limits which prevent too wide a gap between the members of the various strata, and only relatively small groups of the population live in conditions of poverty. The opposite occurs of course in less equitable societies. But what is important to point out here is that, at least in theory, each of these factors can vary relatively independently of the other two, even when the more ascriptive societies tend in fact to have higher levels of inequality and more poverty, just as in fact the less ascriptive societies tend to manifest the opposite characteristics.

With respect to the relationship between the various factors, we have already mentioned that the inequity of poverty is accentuated when the wealth surrounding it is greater. The same argument can be made about inequalities, in the sense that their inequity increases with the ascriptive bias of each society. This prompts us to emphasize that, taken separately, none of the three factors (ascription, inequality and poverty) permits evaluation of the level of equity in a society, and that judgements in that regard have to be based on a simultaneous assessment of all three. This also means that every society which sets equitable development as an objective will have to formulate targets regarding the tolerable margins for the influence of ascribed characteristics on the distribution of privileges, for the size of those differences, and for the extent and severity of the poverty.

With respect to the problems posed by the measurement of these three dimensions of equity, the indicators of progress or regression in the ascribed component of equity are expressed in coefficients of association that permit evaluation of the degree of independence between the distribution of social goods and the ascribed attributes of individuals. Indicators based on coefficients of dispersion are used to investigate the magnitude of the inequalities. Lastly, the percentages of the total population consisting of individuals or households that do

not meet some of the needs that every society considers basic indicate the score achieved by that society in the third component of equity.

In conclusion, we will state that in this sense, social development implies that advances in the growth and equitable distribution of its fruits should be achieved within a context of democracy, which basically means increasing the participation of citizens in decisions on the content of national objectives, on the social definition of collective needs, on the role that education, health care, social security, etc., should play in conducting a society towards collectively defined objectives and, finally, on the

determination of criteria for the distribution of social goods. The more important global indicators describe the characteristics of political régimes that allow or bar, stimulate or inhibit people's participation in the various areas of social and political life. The existence of a democratic régime is, in this regard, a necessary although insufficient condition for participation. The measurement of this dimension involves many factors, including the intensity of participation, the variety of the areas in which it is found, and the differences between the various social groups with respect to opportunities to participate.

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